



Kentucky Council on Postsecondary Education

Matthew G. Bevin
Governor

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Frankfort, Kentucky 40601
Phone: 502-573-1555
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<http://www.cpe.ky.gov>

Robert L. King
President

August 8, 2016

Mr. Frank Longaker, President
1813 East Main Street
Salem, VA 24153

Dear President Longaker:

The Council received a letter dated August 1, 2016 from the U.S. Department of Education (USDOE) stating that *American National University of KY, Inc. dba American National University* had been placed on Heightened Cash Monitoring 2 (HCM2) method of payment effective August 1, 2016 (enclosed).

As a licensee of the Council, *American National University of KY, Inc. dba American National University* shall meet the licensing standards set forth in the licensing regulation 13 KAR 1:020, and specifically, it shall be in good standing with the USDOE and demonstrate financial stability.

Accordingly, *American National University of KY, Inc. dba American National University* is hereby placed on conditional license.

This license is conditioned upon *American National University of KY, Inc. dba American National University*:

1. Providing updates on the following:
 - a. Any communications made from *American National University of KY, Inc. dba American National University* and its agents to faculty, staff, and students regarding *American National University of KY, Inc. dba American National University's* status with the USDOE and its financial stability.
 - b. Submissions to USDOE for Title IV reimbursement and any deficiencies identified in those submissions.
 - c. Any correspondence with USDOE regarding its eligibility status.
 - d. Any correspondence with ACICS regarding the university's accreditation status.
 - e. Any discussions with the Kentucky Approving Agency for Veterans Affairs Education regarding the potential impact of the HCM2 status with that agency.

- f. Any discussions with KHEAA regarding the potential impact of the HCM2 status with that agency.
 - g. Any other information requested by Council staff.
2. Continuing its obligation to meet the standards for licensure per 13 KAR 1:020 Section 8, including but not limited to maintaining its surety bond coverage for unearned tuition as calculated and verified by an independent CPA.
 3. Providing any other updates upon CPE request until such time as the university is no longer on HCM2 status with USDOE.

Once CPE receives assurance that *American National University of KY, Inc. dba American National University* has satisfied these conditions and has been satisfactorily removed from HCM2 status with USDOE, CPE will remove *American National University of KY, Inc. dba American National University* from conditional license status. A conditional license may not exceed two (2) years. Failure to satisfy the conditions in that time frame may result in revocation of the *American National University of KY, Inc. dba American National University* license or an extension of the conditional license upon request of the institution with supporting justification.

In addition, *American National University of KY, Inc. dba American National University* may not apply with CPE for any programs via a supplementary licensure application until such time as the university is satisfactorily removed from HCM2 status with USDOE. Any pending supplementary licensure program application with CPE will be placed in "Needs More Information" status by CPE, and will not be reviewed until the university submits documentation that it is satisfactorily removed from HCM2 status. If more than 60 working days passes from the date the application is placed in "Needs More Information" status by CPE, then per 13 KAR 1:020 Section 7(2), CPE will deny the application, and the university shall be required to submit a new application once it is satisfactorily removed from HCM2 status with USDOE.

Furthermore, please be advised that *American National University of KY, Inc. dba American National University* must submit a Supplementary Application for Notification of Change in Accreditation or Licensure Status Pursuant to 13 KAR 1:020 within 30 days following action by an accrediting agency or another state licensing agency per 13 KAR 1:020 Section 6(1)(g).

If you have any questions, please contact Sarah Levy, Director of Postsecondary Licensing, at (502) 573-1555, Ext. 350, or email at sarah.levy@ky.gov. She will be in contact with your staff shortly in order to schedule a standing weekly meeting so that the Council may receive the updates outlined above.

Sincerely,



Robert L. King
President

Enclosure

cc: Mr. David Yeaman, Director of Compliance and Approvals, 3361 Melrose Avenue, Roanoke, VA 24017



August 1, 2016

Frank E. Longaker
American National University
6060 Castleway Drive West
Indianapolis, IN 46250-1930

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
7012 1640 0000 0217 1923

Re: HCM2 Method of Payment
OPE ID: 01048900
DUNS: 074081779

Dear Mr. Longaker:

The School Participation Division- Chicago/Denver has transferred American National University (ANU) from the Advance method of payment to the Heightened Cash Monitoring 2 (HCM2) method of payment effective August 1, 2016.

Under the HCM2 method of payment, ANU may continue to obligate funds under the federal student financial assistance programs authorized by Title IV of the Higher Education Act of 1965, as amended. ANU may disburse institutional funds to eligible students. If ANU disburses institutional funds, the U.S. Department of Education (Department) will reimburse it for properly documented expenditures. The Department reserves the right to offset any federal claims against funds due to ANU.

This action is authorized by Section 415 of the General Education Provisions Act, 20 USC 1226a-1, and by the following program regulations: 34 C.F.R. § 668.162, Student Assistance General Provisions.

The Department has taken this action because in September 2011, ANU was charged by the Kentucky Attorney General's (KY AG) office with making false statements regarding the school's job placement rates in violation of Kentucky's consumer protection statute and because ANU failed to disclose that fact to the Department in its recent recertification process. The KY AG action should have been reported to the Department either during the recertification process, or noted as an exception to the required certifications that begin on page 10 of the PPA that ANU was instructed to review and sign. These certifications included under the heading listing of "Debarment, Suspension and Other Responsibility Matters" beginning on page 12 that "the institution certifies that it and its principals ... [a]re not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (b) of this certification." The offenses in

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3300 E. 12th Street, NE, Washington, DC 20002

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paragraph (b) include "making false claims" and "any other offense indicating a lack of business integrity or business honesty that seriously and directly affects their present responsibility."

ANU President Frank Longaker signed the PPA on January 26, 2016, thereby certifying compliance with those provisions. The Department has reviewed information related to the KY AG civil charges filed against ANU and determined that ANU should have reported this as an exception before signing the certification.

Based upon ANU's failure to disclose information about the charges filed by the KY AG, and ANU's certification in the PPA that no such actions existed, the Department fully certified ANU to participate in the federal student aid programs. If ANU had properly disclosed this information, the institution would not have been fully certified. In order to mitigate the increased risk of ANU's participation in a fully certified status, the Department intends to monitor ANU's funding under the HCM2 payment method.

The Department is also notifying ANU that, pursuant to 34 C.F.R. §§ 600.10(c), 600.20(c)(1)(v), and 600.20(d)(1)(ii)(B), effective immediately, ANU must seek and obtain Department approval before expands its participation in the Title IV programs by establishing a new educational program, increasing the scope of an existing program beyond those listed in the Institution's Eligibility and Certification Approval Report (ECAR), or establishing an additional location at which it offers more than 50 percent of an educational program.

Enclosed are the detailed instructions for all HCM2 requests. Please address all submitted requests and inquiries to:

Tammi Sawyer, Payment Analyst
U.S. Department of Education
School Participation Division-Chicago/Denver
Federal Student Aid
500 W. Madison St. Suite 1576
Chicago, IL 60661

Phone: 312-730-1531
E-mail: tammi.sawyer@ed.gov

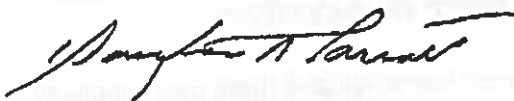
Please note that the foregoing action does not preclude the Department from taking administrative action(s) against ANU.

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Sincerely,



Douglas Parrott
Division Director

Enclosures: Instructions for Obtaining Funds under HCM2 Method of Payment
Form 270 (Request for Title IV Reimbursement or Heightened
Cash Monitoring)
Student Data Spreadsheet

cc: Pamela Cotton, Financial Aid Director
Accrediting Council for Independent Colleges and Schools
KY Council on Postsecondary Education
IN Commission for Higher Education

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INSTRUCTIONS FOR OBTAINING FUNDS UNDER HEIGHTENED CASH MONITORING (HCM2) METHOD OF PAYMENT

The U.S. Department of Education (the Department) has developed these instructions to minimize the documentation the institution must submit, as well as to facilitate the School Participation Division's review of that documentation. The School Participation Division reviews this documentation to determine the accuracy and reliability of the information submitted. If necessary, the School Participation Division (SPD) may require the institution to submit additional documentation of proper expenditures before the Payment Analyst disburses funds to the institution and/or before approving program authorization requests.

For the Federal Pell (Pell) Grant, Teacher Education Assistance for College and Higher Education (TEACH), Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work-Study (FWS), Federal Perkins (Perkins) Loan, and Federal William D. Ford Direct Loan (Direct Loan) programs, the institution must demonstrate that it properly determined, awarded, and used its own funds to make disbursements under these programs to eligible students who are enrolled in and are attending eligible programs. When the institution has demonstrated that it has expended these funds in accordance with Title IV requirements, the Department will reimburse the institution (or credit the institution's account from its latest existing cash on hand balance), subject to any right of offset available.

The institution is required under 34 C.F.R. § 668.162(e) to credit students' accounts, or otherwise use its own funds to pay students, for the amount and type of Federal aid they are eligible to receive prior to requesting reimbursement of those funds from the Department. Pell, TEACH, and Direct Loan, disbursement rosters must be in "review status" in the Common Origination and Disbursement (COD) system prior to submission of the request to the Department. All student names, social security numbers and amounts listed in the payment submission must match those in the COD system. All student records must be verified in COD. When verifying records in COD, do not select the warning (W) verification code.

Please note: Complying with HCM2 requirements does not relieve an institution of its obligation to continue reporting payment data to the Department.

I. TECHNICAL ASSISTANCE

Please read these instructions carefully. These instructions have been written in a general manner in order to be used by all the various types of institutions that participate in the Title IV HEA student financial assistance programs. Since different institutions use different methods for recording, processing or storing information, or use different

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terminology for certain items, it is important to understand that it may be necessary to contact your Payment Analyst for clarification. If there are any doubts about the requested information, please clarify these issues with your Payment Analyst before submitting a request in order to avoid discrepancies and delays.

II. Requirements for Institution to Return to Advance Method of Payment

The institution may contact its Payment Analyst in order to obtain detailed requirements the institution must meet in order to be returned to the advance method of payment. In general, the reasons for the institution being placed on HCM2 will need to be satisfactorily addressed before returning to the advance method of payment. However, if while on HCM2 other issues arise that also would have caused the institution to be placed on HCM2, those issues will have to be addressed as well. If an institution is placed on HCM2 as a result of a program review or audit, the institution will remain on this method of payment until all outstanding issues of the program review or audit have been closed. This includes any period during which an appeal of any final determination is proceeding. In addition, the institution will have to demonstrate that any outstanding liabilities are being paid in a timely manner according to any agreement or settlement reached. In addition, the institution must resolve any and all negative balances in G5 for all open and closed award years.

III. HCM2 SUBMISSIONS

Our office will accept and process only one HCM2 request during any 30-day time period. The institution may submit funding requests for multiple award years together – this will be considered one submission. However, a separate spreadsheet must be included for each award year

After a minimum of six (6) consecutive accurate and complete submission requests and demonstration that the institution's overall administrative/financial controls are in place, the Payment Analyst may allow the institution to submit its HCM2 requests without all of the hard copy documentation identified in Section D. However, the institution must include, at a minimum, the Form 270 with original signatures (see Section B), and the spreadsheet portion of the report (see Section C).

Documentation in the submission will not be returned. Therefore, the Department strongly recommends that the institution maintain a copy of the HCM2 submission.

A. Protection of Personally Identifiable Information

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual which can be used to distinguish or

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trace an individual's identity (some examples are name, social security number, date and place of birth).

PII being submitted electronically must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip, however, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using Win Zip must be saved as Legacy compression (Zip 2.0 compatible).

The Department must receive an access password to view the encrypted information. The password must be e-mailed separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).

Hard copy and electronic files containing PII must be:

- sent via a shipping method that can be tracked with signature required upon delivery
- double packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS)
- labeled with both the "To" and "From" addresses on both the inner and outer packages
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

PII data cannot be sent via fax.

B. REQUIRED FORM/CERTIFICATIONS (blank forms enclosed)

The institution is required to submit a completed Form 270, Request for Title IV Reimbursement or Heightened Cash Monitoring 2 (HCM2) with each HCM2 submission. This form is used to request Title IV funds under HCM2.

The President, Owner or CEO and the comptroller and/or third-party servicer is required to certify that the information submitted to receive funds while under the HCM2 payment method is accurate. A false certification may result in civil or criminal action by the Department against the institution.

With each HCM2 request submitted, the institution must include one Form 270 per award year for which funds are requested. All Title IV program funds requested

must be indicated on the Form 270 and it must be completed according to the instructions provided with the form.

When completing the Form 270, if Title IV adjustments are due when a student ceases attending and your institution has previously claimed more than the "earned" amount, the institution must net out these amounts when the next request for funds is made. Any adjustments of Pell Grant, TEACH Grant, and Direct Loan Funds must be processed in COD prior to submitting your request.

For example:

- An institution submits a request for Federal Pell funds for 20 students in the amount of \$18,500 on the Form 270 (Section 6A).
- Five of the 20 students withdrew and a total refund of \$3,500 has been calculated for those students and processed in COD. The institution must provide a separate withdrawal spreadsheet with student names and the amount of refunds. The institution would subtract the \$3,500 from the claim, listing it as cash on hand on the Form 270 (Section 6B).
- Therefore, the institution would claim a total of \$15,000 of funds on the Form 270 (Section 6C).

C. REQUIRED STUDENT INFORMATION

The information listed below must be provided for each student for whom the institution is requesting funds in spreadsheet format (hardcopy and/or electronic). Submit a separate spreadsheet for each award year for which funds are requested. The student records on each spreadsheet must be alphabetized by student last name and then numbered in sequential order. A sample spreadsheet is enclosed. The spreadsheet should be modified to fit the school's situation. Any electronic spreadsheet submission must be in either Microsoft Excel or Access at the discretion of the Payment Analyst. Please contact your Payment Analyst to discuss this option in detail.

During this transition of payment methods, any outstanding disbursements not yet released from G5 into the institution's federal bank account must be reported on a separate student data spreadsheet in order to receive payment for these students. The Title IV program totals on the spreadsheet must equal the balance in G5. No further student specific documentation will be required for the outstanding disbursements to be released.

- Sequence Number
- Student Last Name
- Student First Name

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- Social Security Number
- Address (street, city, state, zip)
- Telephone Number
- Instructional Program
- Enrollment status (full-time, $\frac{3}{4}$ time, $\frac{1}{2}$ time, $< \frac{1}{2}$ time)
- Admission criteria used for the student's enrollment (high school diploma, GED, ability to benefit test, college transcript)
- Number of Clock or Credit (specify) hours in the student's program of study
- Number of Clock or Credit (specify) hours in the institution's academic year
- Number of Clock or Credit (specify) hours in the payment period
- Number of Clock or Credit (specify) hours completed by the student to date of payment
- Start date/re-entry date (if applicable)/withdrawal date (if applicable)/last date of attendance (if applicable) and midpoint date of student's program. For distance education programs, the first date the student logged on AND engaged in educational activity
- If student withdrew, the percentage of tuition retained
- Student's cost of attendance
- Direct education cost for enrollment period status
- Expected Family Contribution (EFC)
- Certification that student is making satisfactory academic progress (SAP) (qualitatively and quantitatively) – indicate yes or no
- Professional Judgment or Dependency Override adjustment – indicate yes or no
- Grade Point Average (GPA)
- Award amount currently requested for the student, by Title IV program for which authority to disburse is sought. **Title IV programs are: Pell Grant, FSEOG, TEACH Grant, Federal Portion of FWS, Perkins Loan, Direct Loan.** At the bottom of the spreadsheet, you must provide the total funds requested for each Title IV program.

*Because the Institution is also a participant in the **Federal Direct Loan** program, it must also include:*

- *Loan Period*
- *Grade Level*
- *Type of Loan*

To reiterate, the institution must submit the above information in the format specified. If not submitted in this format, the Department reserves the right to reject the submission request for funds/authorization by the institution.

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D. REQUIRED HARD COPY STUDENT DOCUMENTATION

To support the request for funds, the institution must provide on demand student records that demonstrate:

- The institution's students were eligible to receive their awards;
- The institution calculated student awards properly; and
- The institution has disbursed the award amounts to those students

Initial submission of hard copy student documentation will be capped at 100 students. Institutions with 100 or fewer students on their payment submission should submit hard copy documentation for all students. Institutions with 101 or more students must submit an electronic list of all students (see Section C above for details) to the Payment Analyst who will select a random sample of 100 students. The Payment Analyst will identify which 100 students the institution with 101 or more students should provide initial hard copy documentation. The Department reserves the right to collect hard copy documentation for any and all students included on an institution's payment submission at its discretion.

For each student for whom the institution is supplying hard copy documentation, submit the most recent copies of the requested documentation, alphabetically grouped by student, in the order listed below.

- *The ISIR upon which the disbursement is based, the ISIR prior to the one upon which the disbursement is based, and the most recent ISIR transaction if different. The ISIR must have all pages, an EFC, and all comment codes with related text.*
- **Copies of official institutional student tuition account records**, documenting each completed transaction (including transaction date, description and debit or credit), by cash payment or credit, from the student's initial enrollment through the present. Records must be in chronological historical sequence. The records should demonstrate that the institution has properly credited the student's tuition account records with Title IV disbursements, return of Title IV funds, and paid credit balances.
- **Proof of academic qualifications: verification of high school diploma/high school diploma equivalent. The following are acceptable forms of proof:**
 - **High school diploma**
 - Copy of high school diploma
 - Copy of high school transcript showing graduation date
 - Home schooling certification

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- *Equivalent of high school diploma*
 - *GED*
 - *State Certificate if applicable*
 - *Academic transcript from completed two year program that is acceptable for full credit towards a bachelor's degree*
 - *Documentation that student excelled academically in high school, in an associate's degree program, etc. See regulation 600.2 (The institution must have a policy for admitting such persons.)*
 - *Documentation of a passing score consistent with test publisher requirements (e.g., complete examination, score sheet and independent tester certification)*
 - ***Enrollment Agreement/Contract:*** *For institutions that execute, include the fully completed enrollment agreement or contract, including program name, cost, start date, student signature and date.*
 - ***Institutional pre-enrollment documents if any,*** *including Application for Enrollment, Application for Financial Aid, Pre-enrollment Student Questionnaire, etc.*
 - ***Complete verification documentation*** *(please see the Federal Student Aid Handbook Application and Verification Guide) for the applicable award years and the appropriate verification group.*
 - ***Credit balance documentation:*** *Documentation for all student credit balances from previous submission that demonstrates that those credit balances were liquidated:*
 - *Documentation of electronic transfer to the student bank account*
 - *Front and back copies of check to student*
 - *Receipt for cash disbursed, and*
 - *Return of credit balance to Title IV program*
- Any credit balances must be paid to students within 14 days of balance creation according to 668.164(e)(1)(2). The institution may not obtain student or parent authorization to hold credit balances. The institution must not include students in the HCM2/Reimbursement submission until the institution can provide a copy of the canceled credit balance check or confirmation of an electronic wire transfer of the funds to a student's bank account.
- ***Documentation of Return to Title IV funds for withdrawn students for whom the institution is requesting HCM2/adjustment, including:***
 - *R2T4 calculation worksheet*
 - *Student withdrawal form for official withdrawals*
 - *Documentation of return of funds to the lender / the Department (e.g., front and back copies of check to the lender / the Department, copies of electronic*

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- transaction confirmations, Form 270 form showing downward adjustment, copy of negative disbursement record from COD)
 - Documentation of Post Withdrawal Disbursement made to student
 - Screen print showing withdrawal information was reported to NSLDS
- **Attendance Documentation:** Source documents or summary document determined in consultation with the SPD.
- **Proof of Satisfactory Academic Progress, including:**
 - Academic Transcript for entire academic history with the institution, including:
 - Grade Point Average (GPA)
 - Cumulative GPA
 - Hours/Credits attempted
 - Hours/Credits completed
 - Payment period
 - Transfer hours/credits accepted
 - Documentation of any student appeal of failure to make SAP
 - SAP measurement documentation in the student file, if any
- **Award calculation, by specific payment period and disbursement**
- **Documentation to support any institutional intervention in determining a student's eligibility, e.g., professional judgment, SAP appeals, dependency overrides, etc.**
- **Documentation resolving conflicting and discrepant information, (e.g., C- codes on the ISIR, name changes, gender ambiguity)**
- **Additional relevant student file documents:** the Institution must submit any additional information relevant to determining the eligibility of students submitted for review. This must include documentation such as leave of absence documentation, an eligibility checklist, Financial Aid Director notations of changes to eligibility, counseling records pertinent to satisfactory academic and attendance progress, etc.
- **For Direct Loan recipients, entrance counseling documentation, including student signature and date**
- **For Perkins Loan recipients, Perkins Loan disclosure documentation per 34 C.F.R. § 674.16(a)(2) – include one of the following:**
 - Part of written application material
 - Part of master promissory note
 - A separate written form

- ***For Perkins Loan recipients, Perkins Loan Master Promissory Note (MPN) – include one of the following:***
 - *MPN in hard copy- Completed promissory note with student signature and date*
 - *Affidavit or Certification related to electronically signed MPN (If using electronic MPN, the Institution must adhere to department standards regarding electronic signatures as explained in Dear Partner Letter GEN-01-06 (May 2001))*
 - *For loans first made prior to November 1, 2004, when the MPN was not required, copy of alternate promissory note*
- ***For Perkins Loan recipients, Perkins Loan Record of Disbursements – must show the date and amount of each disbursement***
- ***For FWS recipients, FWS Time Sheets, including certification by the student's supervisor (electronic or hard copy) and for students paid on an hourly basis, the hours student worked in clock time sequence (check in and check out) or the total hours worked per day. Note: Graduate students can be paid on a salary basis (see 34 C.F.R. § 675.24)***
- ***For FWS recipients, FWS Job Description, including location and description of responsibilities***
- ***FWS Hourly Wages, for each job description provided***
- ***For FWS recipients, FWS Proof of Disbursements - Check register displaying student name, SSN, date and amount of disbursement***

E. REQUIRED INSTITUTION INFORMATION

The institution must submit a copy of its most current:

- School Catalog
- Student Handbook
- Consumer Information handouts/addendums
- Satisfactory Academic Progress policy
- Attendance policy and description of method/system of documenting attendance, including how you determine whether or not the student withdraws, drops out or is expelled before his or her first day of class
- Return to Title IV policy
- FSEOG student selection policy

- Procedures for determining a withdrawn student's last day of attendance (official and unofficial)
- Selection procedures for campus-based recipients
- Award formulas for each Title IV program and for each academic program
- Pell and Campus-Based/Direct Loan cost of attendance/budget for each academic program
- Key/legend for any submitted documentation, e.g., account ledger, academic transcript
- Independent test administrator's ATB certification
- Formula for calculating students' Grade Point Average (GPA) if not included in Student Handbook or catalog
- Method of disbursement of FWS wages (by check, EFT, credit to student account, or cash with signed receipt)
- For Campus-Based programs, method of matching federal share
- Information describing characteristics for each academic program to determine program type (term, non-term and non-standard term) and method of delivery (in-person, distance education, correspondence, or combination), Pell grant formula, disbursement schedule, academic year definition, minimum full time and borrower based vs. scheduled academic year

Subsequent submissions do not require inclusion of these documents unless these documents are revised.

F. REQUEST FOR ADMINISTRATIVE COST ALLOWANCE

The institution will request Pell Administrative Cost Allowance (ACA) funds through the G5 system. If the institution is unable to receive ACA funds from G5, a letter on official letterhead with the amount/request must be provided with the submission. Do not indicate the ACA amount on the Form 270.

IV. SUBMISSION PROCESSING

Normal processing time is thirty (30) days from the date the submission is received. However, the School Participation Division reserves the right to take the necessary time to review the request for reimbursement and to request and review additional documents before providing funds to the institution. If the Payment Analyst anticipates a delay in processing a request, our office will notify the institution and indicate the expected completion date.

After reviewing a submission, the Payment Analyst will initiate the release of the appropriate amount of funds to the institution. If the review results in only a partial approval, the request will be amended, and the reduced amount will be provided. The

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Payment Analyst will inform the institution by letter of the program funds and reasons for any rejected amounts. The institution may correct the errors and resubmit the rejected records as part of its next submission. If the institution chooses to resubmit the rejected records as a separate submission, the institution must correct the errors and resubmit the records as a complete package, including Form 270, Student Data Spreadsheet, etc. The institution may submit the request without waiting for the original 30-day submission period to pass. Upon receipt of the resubmitted request, a new 30-day period will begin.

If an entire submission is rejected, the institution will receive a letter with specific information about the errors found. The institution may correct these errors and resubmit the complete package, including the corrected documentation. If a submission is rejected, the institution may resubmit that request without waiting for the original 30-day submission period to pass. Upon receipt of the resubmitted request, a new 30-day period will begin.

Depending upon findings resulting from processing of the institution's initial submissions, the Department may require additional student data and/or hard copy documentation in subsequent submissions. The Department will notify the institution in writing of any additional submission requirements.

The approval of a submission in no way limits the Department's right to later determine that these funds were improperly expended, and to recover these funds from the institution as the result of an audit or program review or in any other manner.

In order to verify the accuracy and completeness of any data submitted, all institutions on the HCM2 method of payment are subject to random unannounced documentation reviews.

If you have any questions regarding these procedures, please contact Tammi Sawyer, Payment Analyst of the Chicago/Denver School Participation Division at 312-730-1531.